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Mike Flannery: It's only his third year in Congress, but Northside Democrat Mike Quigley has done something very important, something very few of his colleagues have either the inclination or brains to do.

Dane Placko: He's offering a plan with 60 specific ways to cut the budget and raise tax revenues, and he's our guest this morning. Good Morning.

Rep. Quigley: Good morning. Thank you for having me.

Mike Flannery: Let's start right at the top with cutting that tax deduction for mortgage interest. Isn't that just another body blow to the real estate market?

Rep. Quigley: Well, I think the way to look at it --

Mike Flannery: It would be mortgage deduction for second homes.

Rep. Quigley: For second homes. When we're talking about cutting money for food pantries, we're talking about plans to gut social security and Medicare, we've got to make tough choices. The deduction I talk about most is the one for yachts. If one of my neighbors buys a car, that interest is not tax deductible. If my other neighbor buys a yacht, that interest is tax deductible.

Mike Flannery: You've got a few in lincoln park.

Rep. Quigley: It doesn't matter where they're from. We have to recognize that we have to set priorities. These are going to be very tough cuts. We have to make tough choices. We have to prioritize for those who really need our help.

Dane Placko: \$2 trillion in cuts, your ideas for cuts, you have here. What's been done already isn't going to cut it, right?

Rep. Quigley: We're not close to where we need to be. We're borrowing 42 cents on every dollar we spend. We'll be very soon borrowing half the money that we spend. It's been said the greatest threat to our national security is our debt and deficit. I think there's a fair balanced way to do this to end the bipartisan bickering that protects those and keeps our country going.

Mike Flannery: You actually have hundreds of billions in revenue increases, tax increases here. There's no expectation that most Republicans are going to support this. How do you get

this through the house?

Rep. Quigley: Look, I think, again, it needs to be balanced. What we saw here, we played brinkmanship toward the end of this, raising the debt limit, was a realization with the downgrade, something has to happen. For the first time there's literally a requirement that they do something. If this super committee doesn't do the job, another \$1.5 trillion on cuts, half on defense, half on social programs. It's in their interest to compromise. The numbers just don't work. If it's not balanced. It has to be defense as well. It has to be those revenues as well.

Mike Flannery: You'd cut \$700 billion from defense?

Rep. Quigley: \$700 billion from defense.

Mike Flannery: Can we do that and still stay in Iraq, with everything they need?

Rep. Quigley: You can give them everything they need. The best thing you can do with the troops in Afghanistan is bring them home. We're still fighting the last war. For example, we have 11 aircraft carrier troops. No other country in the world has more than one. We spend more on research for weapon systems than china does on their whole military budget. We win these new wars with intelligence and people like the seals who are brave enough to go kill our enemies. It is not the last war we need a massive army in eastern Europe.

Dane Placko: Do you think the super committee can cooperate on anything? Already there's been talk about people on either side are extremely -- have staked out extremely partisan positions, whereas the gang of six was fairly conciliatory, there was some bipartisanship there.

Rep. Quigley: I think people like Senator Durbin did an excellent job with those committees. There has to be a realization there are no sacred cows. I voted against plans to go after Social Security and Medicare, because I thought there was tweaking there that could keep those programs alive for a long time. What both sides need to recognize is the deity to the tea party forks, is president Reagan. He rose the debt ceiling 18 times, raised taxes 11. He worked with my predecessors to save social security.

Mike Flannery: Yet he felt they betrayed them because they didn't live up to their promise to cut. After the tax increase, they were supposed to cut and they didn't.

Rep. Quigley: He reformed the tax code and end tax expenditures. You used to be able to deduct your credit card interest. He eliminated that and it was one of the things that saved social security for 30 years. He would have been drummed out of the Tea Party for doing that. Both sides need to recognize this has to be the end of bickering, of partisanship, it has to be balanced across the board. It doesn't mean it won't be painful.

Mike Flannery: You would tweak Medicare, Medicaid, Social Security, but not make significant cuts?

Rep. Quigley: We're not talking about the Ryan plan. There's a way to do this with increasing the caps on income that pay into social security. There's a way with Medicare to allow there to be negotiation for prescription drugs, that could reduce billions in costs over a 10-year period.

Mike Flannery: We have to take a break right now. We'll be right back. Congressman Quigley fortunately will stay for another segment. We'll talk about the healthcare law that has just received a new bad blow from the federal courts.

Part Two

Dane Placko: We continue with Democratic Congressman Mike Quigley from Chicago.

Mike Flannery: Mike, the U.S. Court of Appeals last week, late in the week, said that the mandate on the affordable care act that Republicans dismiss as Obamacare can't be enforced.

That's what the Supreme Court agrees, how -- it allowed the rest of the law to stand, by the way, but why would anybody buy insurance since the rest of the law includes a provision that says you can't be excluded for pre-existing conditions? So just wait until you get sick and buy insurance?

Rep. Quigley: Perhaps I shouldn't, but I have faith in the Supreme Court that they'll do the right thing. There's been split decisions in different courts. Now it's up to the Supreme Court. Hopefully they'll do the right thing.

Dane Placko: If they don't do the right thing --

Rep. Quigley: Frankly, I think the bill starts to collapse upon itself.

Mike Flannery: Financially, it becomes a house of cards.

Rep. Quigley: You know, it's unfortunate, because the public is starting to understand the good things that come from this bill, the fact that your children can now be on your healthcare benefits until they're 26. You know, with kids coming out of college now, there aren't a lot of jobs, this provides that security. Two out of every ten people in my district don't have healthcare benefits. I have people who tell me the worst thing that could happen is they lose their job, not because of the income, but because they're so desperate for those benefits and they have a sick kid.

Mike Flannery: The piece that the Appeals Court ruled out, the most hated piece, that says you've got to buy insurance.

Rep. Quigley: The bottom line is, it's good policy to have everybody covered. There's a cost to that. If people don't get that coverage, someone's going to pay for it when they get sick.

Mike Flannery: Maybe it's a good idea, but the appeals court says it's unconstitutional. It's not the American way.

Rep. Quigley: The courts are going to disagree until the Supreme Court rules. We'll act on it after that takes place.

Dane Placko: So what's in worst financial shape, the United States government or the state of Illinois?

Rep. Quigley: Well, the demands on the United States are obviously greater. Illinois doesn't have the opportunity to have some of the flexibility and raise its debt and –

Mike Flannery: Can't print money in the basement of the state Capitol.

Rep. Quigley: The state has serious problems that will be with us for a long time.

Mike Flannery: Do we need this tax increase, this income tax increase, to be extended? Governor Quinn suggested that last week perhaps in four years we'll have to extend it.

Rep. Quigley: You know, I would look to wait until the latest possible time. There's so much more that can be done. I still think the bottom line -- the reports I wrote at Cook County are applicable here. The mayor and government and president of the county board should convene a group of people to say how do we reinvent government? Do we really need township government?

Mike Flannery: No.

Rep. Quigley: Can we streamline government?

Mike Flannery: I was out in Wheatland township where they're spending several million dollars on a new building, and the locals are saying it's a waste of money. I mean, there's hundreds of millions cumulative at that township government level that ought to be abolished.

Rep. Quigley: I'm trying to get the forward to drive those ideas, to consolidate government and make it most efficient. Then you talk about having to raise revenues. For now, let's see how efficient we can make this government. I will say this, what I felt that came out of these last debates is there's a side that doesn't think government has any limits, you can spend as much as you need, and there's the other side that has a true disdain. I think you need to reinvent because the mission matters. The heroes of 9/11 were civil servants.

Dane Placko: You are part of the Cook County board that reinvented the health and hospital system, made it independent. Recently we're hearing that Cook County board president Tony Preckwinkle might want to take back the administrative oversight. What do you think about that?

Rep. Quigley: I have a lot of faith in the president. I think she's doing a great job. It was hard to see problems in the whole healthcare system. Transferring it at that point in time was the best thing possible, because you had independents and people who were so concerned about --

Dane Placko: Was it because of who was in the Cook County board president's seat at the time, and now with her you feel better about some of the power shifting back?

Rep. Quigley: I do. It's difficult to say, but some of that had to do with -- at the time, we had to take it out of the hands of people who were using it to build a patronage army. I don't think you have that problem, or that issue, with president Preckwinkle right now. You'll have to get serious about some of these issues.

Mike Flannery: You mentioned the mayor. 15, 20 seconds. How's he doing?

Rep. Quigley: I think he's doing an extraordinary job under very difficult circumstances. I would just tell the public, things are far worse financially than we have been led to understand so far. I think as he uncovers this, he'll have to make difficult decisions. None of these are going to

make him more popular, but if he does the right thing he can save our city.

Mike Flannery: Congressman Quigley, thanks very much. We'll have you back and talk some more. Our reporters' notebooks are next.